

Message Text

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PAGE 01 SANTIA 09334 232135Z

44

ACTION ARA-10

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FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 1521

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C O N F I D E N T I A L SANTIAGO 9334

E. O. 11652: GDS

TAGS: PFOR, II

SUBJECT: REACTION TO INTERPRETATIONS OF SECURITY ASSISTANCE ACT

REF: STATE 224046

1. IN PARA 2 OF REFTEL DEPARTMENT ASKED FOR GOC REACTIONS TO THE IMPACT OF THE SECURITY ASSISTANCE ACT (SAA) ON CHILE'S MILITARY LOGISTICS SYSTEM.

2. ON 17 SEPTEMBER, GENERAL GUSTAVO LEIGH GUZMAN ASKED AIRA TO INFORM AMBASSADOR OF HIS CONCERN RETARDING USG INTERPRETATION OF SAA AS IT PERTAINS TO FMS CASES WITH CHILEAN AIR FORCE (FACH). GENERAL LEIGH SPECIFICALLY WANTED AMBASSADOR TO BE AWARE THAT THE CHILEAN EMBASSY WAS CONSULTING A WASHINGTON LAW FIRM (UNNAMED BY LEIGH BUT PRESUMABLY THE FIRM CITED PARA 4 BELOW) TO SEEK INDEPENDENT INTERPRETATION OF EGISLATION. IT WAS IMPLIED, BUT NOT STATED, THAT DEPENDING ON ADVICE OF COUNSEL GOC MIGHT SEEK REDRESS IN COURTS.

3. WITH CHILEAN INDEPENDENCE DAY FESTIVITIES JUST ENDING, WE HAVE ONLY RECENTLY SUCCEEDED IN OBTAINING FUTHER DETAILS. PRIMARY CHILEAN CONCERNS ARE ACQUISITION OF T-37 AIRCRAFT TURBINES AND C-130 AIRCRAFT IRAN AND U.S. FACILITY. GOC CONTACTS MAINTAIN GOAL IS NOT NECESSARILY SUIT AGAINST USG, BUT RATHER, TO RESOLVE
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PAGE 02 SANTIA 09334 232135Z

THE DIFFERING LEGAL INTERPRETATIONS OF USG AND GOC.

4. BRIG. GENERAL JOSE MARTININ LEMA, FACH LOGISTICS DIRECTOR, STATES THAT LAW FIRM REGULARLY USED BY CHILAN AIR MISSION IS BEING CONSULTED IN THIS CASE RATHER THAN FIRM NORMALLY SERVING GENERAL INTERESTS OF CHILEAN EMBASSY.

5. COMMENT. TOP LEVELS OF THE GOC AND CHILEAN AIR FORCE ARE OBVIOUSLY NOT WELL INFORMED ON THE SAA, ITS INTERPRETATIONS BY THE USG OR THE DETAILS OF THE CASES INVOLVING THE T-37 CIRCRAFT ENGINES AND THE C-130 IRAN. GENERAL LEIGH, IS, HOWEVER, VERY INTERESTED IN OBTAINING THE EQUIPMENT AND SERVICES. THE FACT THAT THE GOC IS EXPLORING LEGAL ACTION IN THE U.S., AND POINTEDLY INFORMING US ABOUT IT, INDICATES CHILE'S DESIRE TO SEEK EVERY AVENUE OF REDRESS AND TO KEEP THE PRESSURE AS HIGH AS POSSIBLE. DEPARTMENT IS CLEARLY IN THE BEST POSITION TO JUDGE WHAT THE CHILEAN MISSION INTENDS TO DO AFTER OBTAINING LEGAL ADVICE, THE RELATIVE MERITS OF THE LEGAL ARGUMENTS AND THE DEGREE OF LATITUDE, IF ANY, IN THE APPLICATION OF THE SAA PROVISIONS TO THE TWO CASES IN QUESTION.

6. EMBASSY WOULD APPRECIATE INFORMATION ON FUTURE DEVELOPMENTS IN WASHINGTON AS THE SITUATION EVOLVES. IT WOULD BE PARTICULARLY HELPFUL FOR US TO KNOW WHY GENERAL FORNET'S APPLICATION FOR AN EXPORT LICENSE FOR THE T-37 TURBINES, ALLEGEDLY MADE ON JUNE 28, I.E., TWO DAYS BEFORE THE SAA WAS SIGNED, DID NOT RESULT IN THE ISSUANCE OF EXPORT LICENSES ON A TIMELY BASIS. THE FACH IS PARTICULARLY HOT ON THIS ONE.
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